

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Real Energy Corporation Limited (RLE)

ABN

92 139 792 420

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares and Options (over Fully Paid Ordinary Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Share Placement
40,000,000 Fully Paid Ordinary Shares and 20,000,000 Options (over Fully Paid Ordinary Shares)

Share Purchase Plan

10,000,000 Fully Paid Ordinary Shares and 5,000,000 Options (over Fully Paid Ordinary Shares) |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Fully Paid Ordinary Shares (RLE) rank equal with existing shares on issue.</p> <p>1 Option will be issued for every 2 Fully Paid Ordinary Shares issued under the Share Placement and the Share Purchase Plan</p> <p>All Options have \$nil issue price, an exercise price of 4 cents and an expiry date of 30 September 2022.</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Fully Paid Ordinary Shares - Yes</p> <p>Options (over Fully Paid Ordinary Shares) - No</p> <p>Options, when exercised will rank equally with all other Fully Paid Ordinary Shares.</p>
<p>5 Issue price or consideration</p>	<p>Share Placement</p> <p>40,000,000 Fully Paid Ordinary Shares – issue price of 2 cents per share</p> <p>20,000,000 Options (over Fully Paid Ordinary Shares) - \$nil issue price</p> <p>Share Purchase Plan</p> <p>10,000,000 Fully Paid Ordinary Shares – issue price of the lower of 2 cents per share and a 10% discount to the volume weighted average price (VWAP) of Fully Paid Ordinary Class Shares calculated over the last 10 days in which sales of Shares are recorded on the ASX, up to and including 8 October 2020.</p> <p>5,000,000 Options (over Fully Paid Ordinary Shares) - \$nil issue price</p>

+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To fund drilling and testing of Venus -1 CSG Well together with working capital.
6a	Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2019
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	52,937,407
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	7,062,593
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of ⁺ securities issued under an exception in rule 7.2	Share Purchase Plan 10,000,000 Fully Paid Ordinary Shares and 5,000,000 Options (over Fully Paid Ordinary Shares)
6g	If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A

⁺ See chapter 19 for defined terms.

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR7.1 – Nil LR 7.1 A – 29,122,758							
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>Share Placement</p> <p>28 September 2020 (estimated issue date)</p> <p>Share Purchase Plan</p> <p>15 October 2020 (estimated issue date)</p>							
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>403,194,131</td><td>Ordinary Class</td></tr><tr><td>55,879,622</td><td>RLEOB Options</td></tr></table>	Number	+Class	403,194,131	Ordinary Class	55,879,622	RLEOB Options	
Number	+Class								
403,194,131	Ordinary Class								
55,879,622	RLEOB Options								

+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>7,500,000</td><td>Unlisted Options with exercise price of 12 cents and expiry of 26 September 2021</td></tr><tr><td>2,000,000</td><td>Unlisted Options with exercise price of 14 cents and expiry of 31 March 2021</td></tr><tr><td>25,000,000</td><td>Unlisted Options with exercise price of 4 cents and expiry of 30 September 2022</td></tr></table>	Number	⁺ Class	7,500,000	Unlisted Options with exercise price of 12 cents and expiry of 26 September 2021	2,000,000	Unlisted Options with exercise price of 14 cents and expiry of 31 March 2021	25,000,000	Unlisted Options with exercise price of 4 cents and expiry of 30 September 2022
Number	⁺ Class									
7,500,000	Unlisted Options with exercise price of 12 cents and expiry of 26 September 2021									
2,000,000	Unlisted Options with exercise price of 14 cents and expiry of 31 March 2021									
25,000,000	Unlisted Options with exercise price of 4 cents and expiry of 30 September 2022									
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A								

Part 2 - Pro rata issue - N/A

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

20	Names of any underwriters	<div style="border: 1px solid black; height: 30px;"></div>
21	Amount of any underwriting fee or commission	<div style="border: 1px solid black; height: 30px;"></div>
22	Names of any brokers to the issue	<div style="border: 1px solid black; height: 30px;"></div>
23	Fee or commission payable to the broker to the issue	<div style="border: 1px solid black; height: 30px;"></div>
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	<div style="border: 1px solid black; height: 30px;"></div>
25	If the issue is contingent on security holders' approval, the date of the meeting	<div style="border: 1px solid black; height: 30px;"></div>
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	<div style="border: 1px solid black; height: 30px;"></div>
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	<div style="border: 1px solid black; height: 30px;"></div>
28	Date rights trading will begin (if applicable)	<div style="border: 1px solid black; height: 30px;"></div>
29	Date rights trading will end (if applicable)	<div style="border: 1px solid black; height: 30px;"></div>
30	How do security holders sell their entitlements <i>in full</i> through a broker?	<div style="border: 1px solid black; height: 30px;"></div>
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<div style="border: 1px solid black; height: 30px;"></div>
32	How do security holders dispose of their entitlements (except by sale through a broker)?	<div style="border: 1px solid black; height: 30px;"></div>
33	+Issue date	<div style="border: 1px solid black; height: 30px;"></div>

Part 3 - Quotation of securities – N/A

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
 (tick one)

(a) ☐ +Securities described in Part 1

+ See chapter 19 for defined terms.

- (b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities – N/A

Entities that have ticked box 34(b) – N/A

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now
Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)

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Number

+Class

+ See chapter 19 for defined terms.

42 Number and ⁺class of all ⁺securities quoted on ASX (including the ⁺securities in clause 38)

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Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those ⁺securities should not be granted ⁺quotation.
 - An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: _____
Ron Hollands – Secretary

Date: 25 September 2020

⁺ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities – N/A

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ⁺ ordinary securities on issue 12 months before the ⁺ issue date or date of agreement to issue	349,419,204
Add the following: <ul style="list-style-type: none"> Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	18 December 2019 – 2,434,307 (approved at 2019 AGM held 29 November 2019) 15 October 2020 (estimate) – 10,000,000 (Share Purchase Plan)
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	0
“A”	361,853,511

⁺ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	54,278,027
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	18 December 2019 – 1,340,620 28 September 2020 (estimate) – 40,000,000 (Share Placement) 28 September 2020 (estimate) – 12,937,407 Unlisted Options (Share Placement)
“C”	54,278,027
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	54,278,027
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	54,278,027
Total [“A” x 0.15] – “C”	0 <i>Note: this is the remaining placement capacity under rule 7.1</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	361,853,511
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	36,185,351
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	28 September 2020 (estimate) – 7,062,593 Unlisted Options (Share Placement)
“E”	7,062,593
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	36,185,351
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	7,062,593
Total [“A” x 0.10] – “E”	29,122,758

+ See chapter 19 for defined terms.